

Business Overview

Within the past 3 quarters of this year, the world economy, including Thailand, still suffered from the impact of COVID 19 pandemic, which many businesses have temporarily or permanently closed down, cutting costs and some even consequently lay-off employees. Thailand domestic market is still stagnant with recovery process may take longer than expected coupled with economy downturn and political risk locally. However, there is a positive factor from pandemic situation whereby many companies start to move towards digital transformation, which results in domestic business customer growth. This positive factor serve as key catalyst growth for the telecommunication sector in Thailand and globally.

In the 4th quarter of 2020, the company expects COVID 19 impact to businesses continues and hopes for overall situation to improve in next year, particularly expecting ready to use vaccine. The important factors, to drive domestic economy, still relies on new government projects to stimulate people spending and speed up business recovering. However, market trend and confidence are still weak and slowly returning to normal.

The Company's results in third quarter continued with strong overall performance growth in revenue and net profit. For 3Q2020, SYMC posted EBITDA and Net profit of Baht 161.4 million and Baht 26.8 million, respectively, increased by 10.4% and >100% compared with YoY and increased by 5.3% and 35.7% compared with QoQ due to increasing revenue growth coupled with prudent cost management that effect to overall lower operating cost and expense.

For 9M2020, SYMC posted EBITDA and Net profit of Baht 482.8 million and Baht 79.2 million respectively, increased by 12.0% and >100% respectively, compared with YoY due to continued growth of services revenue, other income and overall lower operating cost.

3Q2020 Performance Overview

Revenue

In 3Q2020, service revenue was Baht 325.8 million, increased by 1.2% YoY due to higher revenue from domestic and international service segments resulted from more demand for connectivity during this COVID-19 pandemic period, but decreased by 0.6% QoQ due to one-time revenue recorded in last quarter.

Other income was Baht 6.8 million, increased by 73.1% YoY and >100% QoQ on both comparative periods, mainly due to gain on bargain purchase investment, interest income and gain on exchange rate.

For 9M2020, total revenue was Baht 995.3 million, increased by 1.2% YoY, mainly driven by demand growth on services revenue in both domestic and international segments.

Unit : Million Baht	Amount			Change		Amount		Change	
	Q3/19	Q2/20	Q3/20	(%) QoQ	(%) YoY	9M2019	9M2020	Amount	(%) YoY
Revenue									
Service revenue	322.0	327.8	325.8	-0.6%	1.2%	968.3	976.3	8.0	0.8%
Other income	3.9	1.5	6.8	353.2%	73.1%	15.7	19.0	3.3	21.2%
Total Revenue	325.9	329.3	332.6	1.0%	2.1%	984.0	995.3	11.3	1.2%
Costs of Services and Sales (excl. D&A)	(116.4)	(109.2)	(110.0)	0.7%	-5.5%	(353.8)	(330.5)	23.2	-6.6%
Depreciation & Amortization (D&A)	(98.9)	(101.1)	(98.5)	-2.6%	-0.4%	(303.2)	(301.4)	1.8	-0.6%
Total Cost of Services and Sales	(215.3)	(210.3)	(208.5)	-0.9%	-3.2%	(657.0)	(631.9)	25.1	-3.8%
Service & Administrative Expenses (excl. D&A)	(63.4)	(66.8)	(61.2)	-8.3%	-3.4%	(199.3)	(182.0)	17.3	-8.7%
Depreciation & Amortization (D&A)	(12.3)	(13.5)	(13.4)	-0.6%	8.9%	(34.0)	(40.4)	(6.4)	18.9%
Total Service & Administrative Expenses	(75.7)	(80.3)	(74.6)	-7.0%	-1.4%	(233.3)	(222.4)	10.9	-4.7%
Operating Profit / (Loss)	35.0	38.7	49.5	27.9%	41.7%	93.7	141.0	47.2	50.4%
Share of loss of associate accounted for using equity method	0.0	0.0	(0.3)	100.0%	100.0%	0.0	(0.3)	(0.3)	100.0%
Financial Cost	(18.5)	(14.9)	(13.5)	-9.4%	-27.0%	(60.1)	(44.4)	15.7	-26.1%
Income Tax Expenses	(3.3)	(4.1)	(9.0)	119.4%	169.7%	(4.8)	(17.1)	(12.3)	256.6%
Net Profit/(Loss) for the period	13.2	19.7	26.8	35.7%	103.5%	28.9	79.2	50.4	174.5%
<i>Net Profit/(Loss) Margin</i>	<i>4.0%</i>	<i>6.0%</i>	<i>8.0%</i>			<i>2.9%</i>	<i>8.0%</i>		

EBITDA (Unit : Million Baht)	Amount			Change		Amount		Change	
	Q3/19	Q2/20	Q3/20	(%) QoQ	(%) YoY	9M2019	9M2020	Amount	(%) YoY
EBITDA									
Operating Profit / (Loss)	35.0	38.7	49.5	27.9%	41.7%	93.7	141.0	47.2	50.4%
Depreciation & Amortization (D&A)	111.2	114.5	111.8	-2.3%	0.6%	337.2	341.8	4.6	1.4%
EBITDA	146.1	153.2	161.4	5.3%	10.4%	431.0	482.8	51.9	12.0%
<i>EBITDA Margin</i>	<i>44.8%</i>	<i>46.5%</i>	<i>48.5%</i>			<i>43.8%</i>	<i>48.5%</i>		

Costs of Services and Sales (COSS)

In 3Q2020, Costs of Services and Sales were Baht 208.5 million, decreased by 3.2% YoY and 0.9% QoQ, mainly due to the lower from domestic and international cable rental, and depreciation and amortization of network equipment.

For 9M2020, Costs of Services and Sales were Baht 631.9 million, decreased by 3.8% YoY, mainly due to the lower cost incurred on international cable rental, duct fiber rental, depreciation and amortization of network equipment.

Service & Administrative (S&A) Expenses

In 3Q2020, Service & Administrative expenses were Baht 74.6 million, decreased by 1.4% YoY and 7.0% QoQ, mainly due to lower depreciation and amortization of office equipment and repair and maintenance expense.

For 9M2020, Service & Administrative expenses were Baht 222.4 million, decreased by 4.7% YoY, mainly due to repair and maintenance expense offset with higher depreciation and amortization of office equipment.

EBITDA and Net Profit

In 3Q2020, EBITDA closed at Baht 161.4 million, increased by 10.4% YoY and 5.3% QoQ. Net Profit also closed higher at Baht 26.8 million, increased >100% YoY and 35.7% QoQ due to continued strong growth in service income and overall lower operating cost.

For 9M2020, both EBITDA and Net Profit posted higher at Baht 482.8 million and Baht 79.2 million, resulted from growth in total revenue and better cost management.

Statement of Financial Position and Cashflows

Unit : Million Baht	31-Dec-19		30-Sep-20		Change	
	Amount	%	Amount	%	Amount	(%) YoY
Assets						
Cash and cash equivalents	362.2	9.1%	528.9	13.2%	166.6	46.0%
Short-term investment	150.0	3.8%	0.0	0.0%	(150.0)	100.0%
Trade and other account receivables	195.0	4.9%	230.4	5.8%	35.4	18.2%
Other current assets	136.2	3.4%	114.1	2.9%	(22.1)	-16.2%
Total current assets	843.4	21.2%	873.4	21.9%	29.9	3.5%
Investment in associate	0.0	0.0%	48.7	1.2%	48.7	100.0%
Long-term loans to related party	0.0	0.0%	53.9	1.4%	53.9	100.0%
Network equipment and PPE	3,031.3	76.2%	2,797.9	70.1%	(233.3)	-7.7%
Other non-current assets	101.0	2.5%	217.8	5.5%	116.8	115.6%
Total non-current assets	3,132.3	78.8%	3,118.3	75.5%	(13.9)	-0.4%
Total assets	3,975.7	100.0%	3,991.7	97.4%	16.0	0.4%
Liabilities and shareholders' equity						
Trade payables	192.7	4.8%	210.6	5.3%	17.9	9.3%
Current portion of long-term/ short-term loans/ debenture	396.0	10.0%	380.1	9.5%	(15.9)	-4.0%
Other current liabilities	32.7	0.8%	101.2	2.5%	68.5	209.5%
Total current liabilities	621.4	15.6%	691.8	17.3%	70.5	11.3%
Long-term loans	959.4	24.1%	769.2	19.3%	(190.2)	-19.8%
Other non-current liabilities	37.7	0.9%	116.4	2.9%	78.6	208.3%
Total non-current liabilities	997.1	25.1%	885.5	22.2%	(111.6)	-11.2%
Total liabilities	1,618.5	40.7%	1,577.4	39.5%	(41.1)	-2.5%
Shareholders' Equities	2,357.2	59.3%	2,414.3	60.5%	57.1	2.4%
Total liabilities and shareholders' equity	3,975.7	100.0%	3,991.7	100.0%	16.0	0.4%

Unit : Million Baht	As of 30-Sep-19	As of 30-Sep-20
Cash flows from operating activities	346.3	479.3
Cash flows used in investing activities	(137.0)	(15.5)
Free cash flows	209.3	463.7
Cash flows used in financial activities	(321.2)	(297.1)
Net change in cash	(111.9)	166.6
Beginning Cash and Cash Equivalents	819.9	362.2
Ending Cash and Cash Equivalents *	708.0	528.9

As of 30 September 2020, total assets were Baht 3,991.7 million, increased by 0.4% from 31 December 2019, mainly due to newly adopted TFRS16 lease, recognizing an increase of right-of-use asset of Baht 124.1 million, investment in associate to amount Baht 48.7 million and long-term loan to related party to amount Baht 53.9 million.

Cash and cash equivalents were Baht 528.9 million, increased by 46.0% from 31 December 2019 due to higher cash generated from operation performance and gain on exchange rate.

Network equipment and PPE assets were Baht 2,797.9 million, decreased by 7.7% from 31 December 2019 mainly due to the recognition of depreciation during the period.

Total liabilities were Baht 1,577.4 million, decreased by 2.5% from 31 December 2019 mainly due to loan repayment during the period.

Total shareholders' equity was Baht 2,414.3 million, increased by 2.4% from 31 December 2019 due to the positive net operating result during the period.

As of 30 September 2020, Debt to Equity (D/E) ratio was 0.65x (*as at 31 December: 0.69x*)

2020 Outlook

Economic situation in last quarter of 2020 and the beginning of 2021 are expected to be slow and may take 1-2 years to fully recover since the start of the COVID-19 pandemic. With the challenging operating environment continue as uncertainties from the pandemic persist, the Company is seeing encouraging signs of modest recovery in next year with more enterprises starting to adopt and accelerate digitalisation across their business and operational model. This will definitely drive strong demand growth in digital infrastructure within telecommunication business. The company strives to continue improving and maintaining the best service quality to our customers, with our innovation and network expansion roadmap.

In view of the solid business fundamentals, SYMC is fully committed to deliver positive results in 2020 by continuously investing in innovation services and improving operating efficiencies, and commit to deliver positive return to shareholders, although adverse environment of the continued pandemic.